

WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2001 Assembly Bill 100

Assembly Substitute Amendment 1

Memo published: March 14, 2001 *Contact*: Richard Sweet, Senior Staff Attorney (266-2982)

Assembly Bill 100 creates a grant program administered by the Department of Transportation (DOT) to award grants totaling \$1,500,000 per year to any air carrier having a hub facility in Wisconsin. The grants would begin on July 1, 2003 and would be awarded every July 1 thereafter. The bill defines "air carrier company" as any person engaged in the business of transportation in aircraft of persons or property for hire on regularly scheduled flights. The bill defines "hub facility" as any of the following:

- 1. A facility at an airport from which an air carrier company operated at least 45 common carrier departing flights each weekday in the prior year and from which it transported passengers to at least 15 nonstop destinations or transported cargo to nonstop destinations.
- 2. An airport or any combination of airports in this state from which an air carrier company cumulatively operated at least 20 common carrier departing flights each weekday in the prior year, if the air carrier company's headquarters is in this state.

Assembly Bill 100 also directs all revenues derived from aeronautics activities to a new appropriation. Aeronautics activities will be funded from this appropriation, instead of from the current appropriation. This change takes effect on July 1, 2003.

The bill also establishes an airport financing committee consisting of specified types of members appointed by the Governor. The committee is required to review and evaluate Wisconsin's airport system needs and the current system of funding those needs and recommend changes to better meet those needs. The airport financing committee is required to submit a report to the Governor and the Legislature no later than December 31, 2001.

Assembly Substitute Amendment 1 creates a property tax exemption for a hub facility operated by an air carrier. The terms "air carrier" and "hub facility" are defined the same in the substitute amendment as in Assembly Bill 100.

In addition, under the substitute amendment, beginning on July 1, 2003, revenues derived from aeronautics activities will be deposited in a new appropriation to be used for various aeronautics activities. If the amount of revenues in the appropriation are less than \$11,800,000, half of the difference between the revenues in the appropriation and \$11,800,000 is paid by the general fund (up to \$650,000) and half is paid by the Transportation Fund (up to \$650,000). In addition, the substitute amendment directs that taxes on the sale and use of noncommercial aircraft be placed in the Transportation Fund.

The substitute amendment also creates an airport financing committee, whose membership and duties are the same as in Assembly Bill 100.

The Assembly adopted Assembly Substitute Amendment 1 on a vote of Ayes, 78; Noes, 15; on February 15, 2001, and passed Assembly Bill 100 on a vote of Ayes, 80; Noes, 15; Paired, 4; on March 7, 2001.

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